

Fair Political Practices Commission

Memorandum

To: Chairman Randolph, Commissioners Blair, Downey, Huguenin, and Remy

From: Mark Krausse, Executive Director

Subject: Legislative Report

Date: September 29, 2005

The Legislature adjourned to interim recess on September 9th after sending three additional bills amending the Political Reform Act to the Governor who has thirty days to sign, veto or let those bills become law without his signature. Those bills are presented first below. I will update you on the Governor's actions on these bills at the October meeting. In November, we will present you with legislative proposals for the coming year.

<i>Informational Items</i>		PRA bills sent to the Governor in September	
Bill No.	Author	Title	Introduced/Amended

AB 739 Nation Political Expenditure Disclosure A-05/03/05
Lowers from \$50,000 to \$10,000 the reporting threshold applicable to issue advocacy communications that clearly identify a candidate for elective state office made within 45 days of an election. The bill also lowers the threshold for donor reporting from \$5,000 to \$1,000. **Passed by the Legislature; enrolled to the Governor on September 8th.**

AB 938 Umberg Campaign expenditure disclosures A-06/01/05
Requires electronic filers to also report expenditures totaling \$10,000 or more to support or oppose the qualification or passage of a ballot measure, and disclosing other specified information, within 10 business days of making the expenditure. The bill would require that this report also be filed in the places where the committee would be required to file campaign statements if it were formed or existing primarily to support or oppose the measure for or against which it is making the expenditure. **Passed by the Legislature; enrolled to the Governor on September 9th.**

SB 8 Soto Conflicts of interest A-03/30/05
This bill extends the one-year post-governmental employment restrictions currently applicable to state public officials to local elected officials, county chief administrative officers, city managers or administrators, and special district general managers or chief administrators. **Passed by the Legislature; enrolled to the Governor on September 14th.**

<i>Informational Items</i>		Bills Amending the Political Reform Act	
Bill No.	Author	Title	Introduced/Amended

AB 16 Huff Campaign Contributions A-02/09/05
This bill prohibits the Governor or a member of the Legislature from accepting any campaign contributions between the date of the May budget revision and the date of the enactment of the budget bill for the upcoming fiscal year. **Failed in Assembly Elections Committee. Position: oppose unless amended.**

Informational Items		Bills Amending the Political Reform Act (cont'd)	
Bill No.	Author	Title	Introduced/Amended

AB 40 Wolk Conflict of interest: lobbying interests I-12/6/04

This bill prohibits lobbyists who contract with an elected state officer from lobbying that officer, his or her staff or the staff of any committee the member chairs, and requires notification to the Secretary of State by lobbyists who enter into a contractual agreement with an elected state officer. AB 40 also requires that any payment conditioned on the outcome of an election be disclosed in pre-election reports.

Failed in Assembly Elections Committee. Position: oppose unless amended.

AB 347 Huff Enforcement A-03/29/05

This bill would make a violation of the Act a misdemeanor or felony, punishable by imprisonment in a county jail for no more than one year, or by 16 months, 2 years, or 3 years in the state prison. This bill contains other related provisions and other existing laws. **Failed in Assembly Elections Committee.**

Position: support.

AB 513 Richman Lobbyist registration: bond consultants A-04/26/05

This bill would expand the definition of administrative action to include the selection of an underwriter for state or local bond business. **Failed in Assembly Appropriations Committee. Position: no position.**

AB 534 (Montanez) Disqualification and disclosure A-08/29/05

This bill was gutted and amended on August 29, 2005, to impose a "piercing" provision in the income disclosure and disqualification provisions of the Act. Under existing law, SEI filers holding a 10% or greater interest in a business entity must report sources of income to that business entity of \$10,000 or more. This bill would require that the filer also report the name of any person paying more than \$10,000 to one of those reportable sources of income. For example, a public official who holds a 50% interest in a law firm already reports the names of clients paying his firm \$10,000 or more in a calendar year. This bill would require that this public official also report any person (including non-individuals) that the official should know is paying \$10,000 or more to one of his firm's reportable clients. In addition, the bill would make the newly reportable source of income disqualifying under section 87103. In Assembly Appropriations Committee.

AB 583 Hancock California Clean Money Act of 2005 A-04/13/05

This bill would enact the California Clean Money and Fair Elections Act of 2005, which would authorize eligible candidates, as defined, to obtain public funds according to specified procedures and requirements, provided that certain thresholds are attained. The bill would impose responsibility for the administration of the provisions of the bill on the Fair Political Practices Commission. The bill would appropriate \$500,000 each fiscal year from the fund created by the bill to the Fair Political Practices Commission for the purpose of administration of the act, as specified. **Failed in Assembly Elections Committee. Position: no position.**

Informational Items		Bills Amending the Political Reform Act (cont'd)	
Bill No.	Author	Title	Introduced/Amended
AB 709	Wolk	Candidate-controlled ballot measure committees	A-05/19/05
Imposes a \$5,600 limit on contributions to ballot measure committees controlled by elective state office candidates. Primarily formed ballot measure committees would be subject to the post-election fundraising restrictions in the Act. The bill aggregates contributions to multiple ballot measure committees in support of, or in opposition to, the same ballot measure that are controlled by the same state candidate. Failed in Senate Elections Committee. Position: support.			
AB 891	DeVore	Slate Mailer Organizations	A-04/13/05
Amends Act's slate mailer provisions to (1) make inclusion in a slate mailer sent by a recipient committee not at the candidate's behest a contribution to a candidate who does not pay equal consideration for the mailer; (2) require a slate mailer organization to notify the candidate of the value of the contribution; and (3) require the Commission adopt regulations providing a method for valuing slate mailer communications. Failed in Assembly Elections Committee.			
AB 1363	Jones	Economic interest disclosure and blind trusts	A-03/29/05
<i>This bill was gutted and amended on August 29, 2005, to add additional layers of income and investment disclosure, up to and in excess of \$2 million, and to require the Governor, Lieutenant Governor, Controller, Treasurer, Secretary of State, Superintendent of Public Instruction, Attorney General, and Insurance Commissioner to place their investments and interests in real property, if any, into a blind trust before taking office. Re-referred to Assembly Committee on Human Services. Expected to be referred to Assembly Elections Committee.</i>			
AB 1391	Leno	Disclosure	A-03/29/05
Defines a state general purpose committee as a committee that is not a county or city general purpose committee, or a committee that makes expenditures to support or oppose candidates or measures voted on in a state election, or in more than one county, including contributions to state general purpose committees, which total more than 50% of the contributions and independent expenditures made by the committee. <i>Amended on August 18th, 2005, to add additional layers of income disclosure up to and in excess of \$2 million. Re-referred to Senate Elections Committee. Position: sponsor of Secs. 2-4..</i>			
AB 1558	Wolk	Pilot project: financial interests in public contracts	I-02/22/05
Commission-sponsored Govt. Code sec. 1090 pilot project to issue opinions to public officials after consultation with the AG's office and applicable local prosecutor. On Assembly floor. Position: sponsor. Two-year bill.			
AB 1755	Committee	Commission-sponsored omnibus bill	I-03/15/05
Commission-sponsored bill to 1) delete reporting provisions relating to the now-obsolete March state primary, 2) clarify two provisions related to electronic reporting, 3) extend from 30- to 45-days the period during which a candidate may leave one office and assume another without having to file a new SEI, and 4) requires service to the Commission of a copy of a civil suit filed under the Act before relief may be granted. Signed by Governor, Chapter 200, Statutes of 2005.			

Informational Items		Bills Amending the Political Reform Act (cont'd)	
Bill No.	Author	Title	Introduced/Amended

SB 11 Bowen Contributions: voting equipment manufacturers or vendors A-03/30/05

This bill prohibits a candidate for elective state or local office from accepting any contributions from a manufacturer or vendor of voting equipment or systems. This bill also amends the Elections Code to declare that the Secretary of State cannot serve as an officer of a political party or partisan organization, or support or oppose any candidate or ballot measure. **Failed in Assembly Elections Committee.**

Position: oppose unless amended.

SB 25 Ackerman Political Reform Act of 1974 A-01/19/05

This bill creates a presumption that a contribution received in response to a written solicitation from an elective state office candidate or his or her committee is received in response to that solicitation, for that candidate or committee, or for the term of office specified in the solicitation. Also repeals two sections related to an obsolete March state primary election. **Senate Floor. Position: oppose unless amended.**

SB 36 Florez 501(c)(4) issue advocacy disclosure A-04/12/05

The Political Reform Act of 1974, as amended by Proposition 34 of the November 7, 2000, statewide general election, require a person who pays or promises to pay \$50,000 or more for an issue advocacy communication, which clearly identifies a candidate for elective state office but does not expressly advocate the election or defeat of the candidate, made within 45 days of an election, to file a specified disclosure report online or electronically with the Secretary of State within 48 hours of making or promising the payment. This bill would require a similar filing by a person who pays or promises to pay \$50,000 for a communication to 10,000 voters within the jurisdiction that the candidate is seeking office.

Failed passage on Senate floor. Position: oppose unless amended.

SB 54 Ackerman Political Reform Act of 1974 I-01/14/05

Substantially similar to, and rendered obsolete by, SB 25. **Referred to Senate Rules Committee.**

Position: oppose unless amended.

SB 145 Murray Contributions A-03/14/05

This bill would authorize an elected state officer to accept contributions after the date of the election to the office presently held for the purpose of paying expenses associated with holding office or for any other purpose authorized by the Political Reform Act of 1974, subject to certain limitations. The bill would set limits on the amount of contributions that may be made to an elected state officer in a calendar year and on the aggregate amount of contributions that a state officer may receive in a calendar year. **In Assembly Appropriations Committee. Position: neutral.**

SB 289 Battin Conflicts of interest I-02/16/05

“Spot” bill that adds “or her” where “his” is used in statute 87100 of the Political Reform Act. **Referred to Senate Rules Committee.**

SB 289 Alquist Disclosure A-08/15/05

Gutted and amended on August 18th, 2005, to add additional layers of income disclosure up to and in excess of \$2 million. In Assembly Elections Committee.

<i>Informational Items</i>		Bills Amending the Political Reform Act (cont'd)	
Bill No.	Author	Title	Introduced/Amended

SB 721 Chesbro Elections: ballot pamphlets A-04/18/05

This bill would codify the requirements of existing law that, in ruling on a challenge to a ballot pamphlet copy, a court shall indulge all legitimate presumptions in favor of the propriety of the copy, and find the copy sufficient in cases where reasonable minds could differ as to the sufficiency of the copy. **In Senate Elections Committee.**

SB 784 Committee Campaign contributions and expenditures A-05/17/05

This bill extends the reporting threshold and deadline for payments for legislative, governmental, or charitable purposes made "at the behest of" an elected official from \$5,000 to \$7,000 and from 30 days to 90 days, respectively. It also specifies that such a payment made in response to a press release, interview, or other media-related communication from an elected official is not required to be reported. In addition, it adds that an elected official is required to report such a payment only if he or she knows, or has reason to know, that a payment was made at his or her behest. **On Assembly floor, but placed on the Inactive File. Position: neutral.**

SB 929 Kehoe California Coastal Commission: administrative actions A-06/02/05

Expands the definitions of lobbyist to include those in direct communication with California Coastal Commissioners for the purpose of influencing quasi-judicial decisions, but excludes from that definition those who communicate on only one administrative action in a calendar year. Urgency clause added on June 6th. **On Senate Inactive File. Position: neutral.**

SB 1013 Florez Political expenditure I-02/22/05

Nonsubstantive "spot" bill. **In Senate Rules Committee.**

<i>Informational Items</i>		Bills Not Amending the PRA	
Bill No.	Author	Title	Introduced/Amended

SCA 13 Ortiz Biomedical research A-06/08/05

The California Stem Cell Research and Cures Act (Proposition 71) established the California Institute for Regenerative Sciences and the Independent Citizens Oversight Committee to perform various oversight functions with regard to the Institute. Members of the ICOC are required to file statements of economic interest with the FPPC. This constitutional amendment would require that the president and each employee of the Institute disclose various economic interests and file with the FPPC. It further requires that a member of any working or advisory group appointed to assist the institute or its governing body disclose his or her income and investments in any entity that has sought funding from the institute or that is engaged in biomedical research. **On Senate floor, but placed on the Inactive File.**

ACR 1 McLeod Proposition 71: stem cell research A-03/17/05

This measure would urge the Independent Citizen's Oversight Committee established pursuant to Proposition 71 approved by the voters at the November 2, 2004, general election, to adopt robust conflict-of-interest standards for itself and for the members of its working groups, to comply with standards set forth in provisions of law relating to open meetings of public agencies and public records, and to report to the Legislature by April 1, 2005. **Senate Appropriations Committee.**